GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:289
ANSWERED ON:12.12.2006
FOREIGN DIRECT INVESTMENT
Topdar Shri Tarit Baran

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) The sectors and the countries identified as sensitive for foreign investment vis-Ã -vis India's national security ;

(b) Whether the Government proposes to review Foreign Direct Investment (FDI) in this regard; and

(c) If so, the details thereof ?

Answer

THE MINISTER OF COMMERCE & INDUSTRY (SHRI KAMAL NATH)

(a)to(c) : Government has put in place a liberal Foreign Direct Investment (FDI) policy under which FDI up to 100% is permitted, on the automatic route, in most sectors and activities. Review of FDI policy is undertaken periodically to review / revise sectoral caps and where necessary, build-in sector-specific sensitivities. FDI policy is incorporated in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 under the Foreign Exchange Management Act. These Regulations indicate the countries from where investment is not permitted.